

UPDATED INFORMATIVE DIGEST

Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011) replaces the current Quarterly Reporting/Prospective Budgeting (QR/PB) system with a Semi-Annual Reporting (SAR) system in the California Work Opportunity and Responsibility to Kids (CalWORKs) and CalFresh Programs. The bill mandates that SAR be implemented as soon as April 1, 2013, and no later than October 1, 2013. CalWORKs is California's version of the federal Temporary Assistance for Needy Families (TANF) Program. This regulation package only amends the CalWORKs regulations.

AB 444 (Chapter 1022, Statutes of 2002) replaced the Monthly Reporting/Retrospective Budgeting (MR/RB) with a QR/PB System in the CalWORKs program effective in 2004. AB 444 also required QR/PB to be adopted in the CalFresh program (previously called Food Stamps) to the extent permitted by federal law, regulations, waivers and directives and considering cost-effectiveness and compatibility between the two programs. Since the implementation of QR/PB in CalWORKs and CalFresh, the Food and Nutrition Services (FNS) has been encouraging California to move towards a simplified, six-month reporting system.

AB 6 mandates that CalWORKs and CalFresh implement SAR in a cost-effective manner that promotes compatibility between the two programs. The FNS will not allow the California Department of Social Services (CDSS) to require a second semi-annual report in addition to the annual recertification of eligibility in the CalFresh Program. Consequently, CDSS has determined that rather than requiring two semi-annual reports in addition to the annual redetermination of eligibility, the annual redetermination/recertification will take the place of the second semi-annual report. This change also reduces the reporting burden on recipients and reduces the administrative burden on county workers by not mandating duplicative reporting requirements.

In order to more closely align the treatment of income under federal Supplemental Nutrition Assistance Program (SNAP) prospective budgeting rules (as indicated in AB 6), recipients will no longer have to estimate their income for each month of the SAR Payment Period in order for their eligibility worker to average that income over the period. Instead, a monthly income amount will be determined for the SAR Payment Period based only on current income and reasonably anticipated changes. This policy change aligns CalWORKs with the federal SNAP prospective budgeting rules, will simplify the process of reasonably anticipating income for both recipients and county workers and will alleviate one of the factors that has been found to be the most confusing and error-prone under QR.

In addition to the SAR provisions of AB 6, this regulation package also implements the CalWORKs restoration of aid provisions in Welfare and Institutions Code section 11265.4 as added by AB 959 (Chapter 506, Statutes of 2011).

This regulation package also contains numerous clean-up and technical changes, including repealing outdated MR regulations and correcting outdated terms and references.

The benefits anticipated from this regulatory action include simplifying the reporting responsibilities for both CalWORKs recipients and county eligibility workers.

The Department considered other possible related regulations in this area and we find that these are the only regulations dealing in this subject area (of CalWORKs reporting systems) and therefore the Department finds that these proposed regulations are compatible and consistent with the intent of the Legislature in adopting AB 6 and AB 959, as well as with existing state regulations.

These regulations were considered at the public hearing held on September 4, 2013 in Sacramento, California. Written testimony was received during the 45-day comment period from July 19 to September 4, 2013, and as a result changes were made to the emergency regulations; those changes include:

- Section 40-128.13 et seq. was inadvertently adopted with inaccurate information when the emergency regulations were adopted. Federal law in regards to Aliens Sponsored by Agencies and Organizations was changed and CDSS adopted regulations in response to those changes effective January 8, 2001. The CDSS is further amending this section to reflect changes made to federal law which eliminated an agency's ability to be a sponsor and defines a sponsor as an individual who executes an affidavit of support.
- Sections 40-181.214(b) and 40-181.221(b) were amended to comply with changes to Welfare and Institutions Code section 11265.1(c)(5) which requires a personal contact be made by a county worker when the SAWS 2 or the SAR 7 is not received timely. Also Section 40-181.214(b)(1) is repealed to comply with Welfare and Institutions Code section 11265 which does not require that a reminder notice be mailed five days prior to the last calendar day of the month.
- Section 44-315.311(c) is being adopted to increase clarity by stating that one of the factors the county shall consider when making a determination of reasonably anticipated income is the start date of that income.
- Section 44-315.316(a) is being adopted to add a provision that specifies that when income is expected to fluctuate after the data month, the county must attempt to find out the amount of income the household reasonably expects to receive in order to determine what income to use in the next SAR Payment Period's benefit calculation. A handbook section provides two illustrative examples.
- Section 44-316.321(d) was amended to include a new subsection stating that, "The act of failing to report an address change shall not, in and of itself, result in a reduction of aid or a termination of benefits." This section is necessary to comply with amended Welfare and Institutions Code section 11265.3(c)(2).
- A few of the forms were updated to correlate with amendments made to the regulations.
- Other minor changes were made for clarity and consistency.

Pursuant to Government Code section 11346.8, a 15-day renote and complete text of modifications made to the regulations were made available to the public following the public hearing. No testimony was received on the modifications renoted for public comment from March 12 to March 27, 2014.